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C O N F I D E N T I A L BAGHDAD 001773

SIPDIS

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TAGS: PREL EPET ENRG IZ NO

SUBJECT: NORWEGIAN FM VISITS BAGHDAD, PLEDGES TO ESTABLISH EMBASSY

REF: A. BAGHDAD 1648

1B. BAGHDAD 1447

1C. OSLO 171

1D. OSLO 383

Classified By: Acting Political Counselor Peter H. Vrooman for reason 1 .4 (d).

¶1. (C) SUMMARY: During his first visit to Baghdad on June 29, Norwegian Foreign Minister Jonas Gahr Stoere announced that Norway will establish an Embassy here and discussed expanding Norwegian cooperation with Iraq after four years of minimal diplomatic contact. He also advocated for Norwegian oil company StatoilHydro,s bid in Iraq,s oil licensing rounds that were scheduled to begin the same day (see reftel A). The visit follows a May 15 agreement between the two countries on the return of Iraqi nationals residing in Norway who do not qualify for asylum, and is another sign of Norway,s increased engagement with Iraq. END SUMMARY

¶2. (C) In his meeting with Foreign Minister Hoshyar Zebari, Stoere discussed expanding Norwegian cooperation with Iraq in energy and culture, highlighting that both countries are energy exporters. In a press conference with Zebari, Stoere publicly announced that Norway will establish a formal presence at the Swedish Embassy in Baghdad, with Norwegian diplomats reporting to the Norwegian Embassy in Amman. A permanent mission will follow, he said, but did not indicate a timeline. At the press conference, Stoere also made a pitch for StatoilHydro, saying that the company is "a very qualified Norwegian candidate among those who present themselves to the Ministry of Oil" this week. (NOTE: The next day, StatoilHydro bid in a consortium with Spain,s Repsol and Denmark,s Maersk. The consortium,s bid was the lowest scoring bid; it was not offered a chance to match the Ministry of Oil,s maximum renumeration fee and did not win. END NOTE)

¶3. (C) While in Baghdad, Stoere also met with Minister of Human Rights Wijdan Salim and representatives from the Iraqi Red Crescent. Embassy Baghdad, at the request of the GON, provided security support during the visit.

¶4. (C) COMMENT: Minister Stoere,s visit follows a direct request from Secretary Clinton during their bilateral meeting in April. The GON decided in March to normalize relations by establishing a diplomatic presence in Baghdad and possibly in northern Iraq (see reftels B and C). Norway is the world,s third largest exporter of oil and natural gas and has significant business interests in Iraq,s oil sector, including StatoilHydro,s participation in the oil bidding rounds as well as Norwegian energy company DNO International,s involvement in the development of oil fields in the Kurdistan Region (see reftel D). DNO began exporting from the Tawke field in June, but tensions between the Kurdistan Regional Government (KRG) and the GOI over the validity of oil contracts signed by the KRG could jeopardize payment to DNO.

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